



[4830-01-p]

## DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-110948-14]

RIN 1545-BM06

Guidelines for the Streamlined Process of Applying for Recognition of Section 501(c)(3) Status

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking by cross-reference to temporary regulations.

SUMMARY: In the Rules and Regulations section of this issue of the **Federal Register**, the IRS is issuing regulations that provide guidance to organizations that seek recognition of tax-exempt status under section 501(c)(3) of the Internal Revenue Code. The final and temporary regulations amend current regulations to allow the Commissioner of Internal Revenue to adopt a streamlined application process that certain organizations may use to apply for recognition of tax-exempt status under section 501(c)(3). The text of those temporary regulations also serves as the text of these proposed regulations.

DATES: Comments and requests for a public hearing must be received by **[INSERT DATE 90 DAYS AFTER PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER]**.

ADDRESSES: Send submissions to: CC:PA:LPD:PR (REG-110948-14), room 5205, Internal Revenue Service, PO Box 7604, Ben Franklin Station,

Washington, DC 20044. Submissions may be hand-delivered Monday through Friday between the hours of 8 a.m. and 4 p.m. to CC:PA:LPD:PR (REG-110948-14), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue NW, Washington, DC, or sent electronically via the Federal eRulemaking Portal at <http://www.regulations.gov> (IRS REG-110948-14).

FOR FURTHER INFORMATION CONTACT: Concerning the proposed regulations, James R. Martin or Robin Ehrenberg at (202) 317-5800; concerning submission of comments and request for hearing, Oluwafunmilayo Taylor at (202) 317-6901 (not toll-free numbers).

#### SUPPLEMENTARY INFORMATION:

##### **Background and Explanation of Provisions**

Temporary regulations in the Rules and Regulations section of this issue of the **Federal Register** amend the existing regulations under sections 501 and 508 to allow for an additional form of application to be used to satisfy the notice requirement under section 508(a). The text of those temporary regulations also serves as the text of these proposed regulations. The preamble to the temporary regulations explains the amendments.

##### **Special Analyses**

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in Executive Order 12866, as supplemented by Executive Order 13563. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these

regulations. It is hereby certified that this rule will not have a significant economic impact on a substantial number of small entities. Although this rule may affect a substantial number of small entities that choose to use the new form that streamlines the application process that eligible organizations may use to apply for recognition of tax-exempt status under section 501(c)(3), we intend for this rule to reduce the economic impact on small entities. This rule merely provides guidance about the streamlined form of application available to satisfy the notice requirement under Section 508(a). Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. Chapter 6) is not required.

### **Comments and Requests for Public Hearing**

Before these proposed regulations are adopted as final regulations, consideration will be given to any comments that are submitted timely to the IRS as prescribed in this preamble under the “Addresses” heading. The Treasury Department and the IRS request comments on all aspects of the proposed rules. All comments will be available at [www.regulations.gov](http://www.regulations.gov) or upon request.

A public hearing will be scheduled if requested in writing by any person that timely submits written comments. If a public hearing is scheduled, notice of the date, time, and place for the public hearing will be published in the **Federal Register**.

### **Drafting Information**

The principal authors of these regulations are James R. Martin and Robin Ehrenberg, Office of Associate Chief Counsel (Tax Exempt and Government

Entities). However, other personnel from the IRS and the Treasury Department participated in their development.

### **List of Subjects in 26 CFR Part 1**

Income taxes, Nonprofit organizations, Foundations, Reporting and recordkeeping requirements.

### **Proposed Amendments to the Regulations**

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

#### **PART 1--INCOME TAXES**

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 \* \* \*

Par. 2. Section 1.501(a)-1 is amended by:

1. Revising paragraph (a)(2).
2. Revising paragraph (b)(1) and (3).
3. Adding paragraph (f).

The revisions and addition read as follows:

#### **§1.501(a)-1 Exemption from taxation.**

(a) \* \* \*

(2) [The text of the proposed amendment to §1.501(a)-1(a)(2) is the same as the text for §1.501(a)-1T(a)(2) published elsewhere in this issue of the

**Federal Register].**

\* \* \* \* \*

(b)(1) [The text of the proposed amendment to §1.501(a)-1(b)(1) is the same as the text for §1.501(a)-1T(b)(1) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(3) [The text of the proposed amendment to §1.501(a)-1(b)(3) is the same as the text for §1.501(a)-1T(b)(3) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(f) [The text of the proposed amendment to §1.501(a)-1(f) is the same as the text for §1.501(a)-1T(f) published elsewhere in this issue of the **Federal Register**].

Par. 3. Section 1.501(c)(3)-1 is amended by:

1. Revising paragraphs (b)(1)(v) and (b)(6).
2. Adding paragraph (h).

The revisions and addition read as follows:

§1.501(c)(3)-1 Organizations organized and operated for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or for the prevention of cruelty to children or animals.

\* \* \* \* \*

(b)\* \* \* (1)\* \* \*

(v) [The text of proposed amendments to §1.501(c)(3)-1(b)(1)(v) is the same as the text for §1.501(c)(3)-1T(b)(1)(v) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(6) [The text of proposed amendments to §1.501(c)(3)-1(b)(6) is the same as the text for §1.501(c)(3)-1T(b)(6) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(h) [The text of proposed amendments to §1.501(c)(3)-1(h) is the same as the text for §1.501(c)(3)-1T(h) published elsewhere in this issue of the **Federal Register**].

Par. 4. Section 1.508-1 is amended by:

1. Revising paragraphs (a)(2)(i) and (ii).
2. Revising paragraphs (b)(2)(iv) and (v).
3. Adding paragraph (c).

The revisions and addition read as follows:

§1.508–1 Notices.

(a) \* \* \*

(2)(i) [The text of proposed amendments to §1.508-1(a)(2)(i) is the same as the text for §1.508-1T(a)(2)(i) published elsewhere in this issue of the **Federal Register**].

(ii) [The text of proposed amendments to §1.508-1(a)(2)(ii) is the same as the text for §1.508-1T(a)(2)(ii) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(iv) [The text of proposed amendments to §1.508-1(b)(2)(iv) is the same as the text for §1.508-1T(b)(2)(iv) published elsewhere in this issue of the **Federal Register**].

(v) [The text of proposed amendments to §1.508-1(b)(2)(v) is the same as the text for §1.508-1T(b)(2)(v) published elsewhere in this issue of the **Federal Register**].

\* \* \* \* \*

(c) [The text of proposed amendments to §1.508-1(c) is the same as the text for §1.508-1T(c) published elsewhere in this issue of the **Federal Register**].

John Dalrymple,  
Deputy Commissioner for Services and Enforcement.

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